



City of Albuquerque

Office of the Mayor

Martin J. Chávez, Mayor
Interoffice Memorandum

April 1, 2003

To: Vincent E. Griego, President, City Council
From: Martin J. Chávez, Mayor
Subject: FY/04 Mayor's Proposed General Fund Budget

The FY/04 general fund budget proposal is a basic budget for a difficult year, focusing on the most fundamental of government services. Albuquerque is not alone in facing difficult times. In a National League of Cities survey released last month, 75% of city officials say they are less able to meet financial needs this year compared to last year, and the same proportion expect next year to be worse. Public safety spending is increasing in 80% of the cities reporting, in part due to homeland security efforts. One third of large cities report staff layoffs.

The budget before you is balanced without increasing taxes or laying off employees. Although there are a few filled positions scheduled for deletion, the employees can be moved into funded positions. We will begin the voluntary transfer program as developed by City Council last year. We were extremely successful during FY/03 in placing all but two of the 73 employees in filled deleted positions.

This budget reflects my commitment to public safety by including funding for two police cadet classes and two lateral classes, as well as enhancing the use of public service aides to free uniformed officers for patrol duties. It fully funds, for the first time, street crossing guards and community service aides.

The proposal includes full funding for the Fire Department at existing strength, plus it includes a cadet class to staff new Station 21 expected to be on-line in August of 2004. For the first time, the Fire Department will also have a grant-writer on staff to seek additional funding support.

The FY/04 general fund budget presumes that the move to the Metropolitan Detention Center will be completed by July 1, 2003. The savings projected two years ago from consolidating into a single jail facility are anticipated to be realized in FY04.

Although the proposal does not include a general salary increase, it does hold City employees harmless from the increase in health and dental insurance premiums by increasing the City's share of the premium from 80% to about 83%. Included is about \$2.9 million to complete the final phases of salary and retirement benefit adjustments, which will impact about 2,476 employees (more than 48% of the City's full time employees).

To compensate for these spending increases, funding for less fundamental government services is decreased. Some program efforts are consolidated for cost-savings and programs and services that are duplicated elsewhere in the community are eliminated. Budget reductions are recommended for those programs and services that are underutilized or serve very small segments of the population.

Bio-Park entrance fees are unchanged, but museum entrance fees are increased by \$1 for adults only. There is a restructuring of the adult sports and tennis programs. To protect the City's extensive investment, the cost of water for parks and open spaces is fully funded. The successful latch-key and playground programs propose modest fee increases from zero to \$10 per week for part-time participants. A low-income spay-neuter program is funded at \$200,000.

In a move to counteract continuing soft economic conditions, the FY/04 budget proposal includes funding for increased staffing in the Office of Economic Development to stimulate economic vitality in the community and to attempt to create more and better jobs in Albuquerque.

To compensate for the more than 467 positions that have been eliminated or frozen from City government since June 1, 2001, the budget proposal includes reallocation of existing employees to maintain customer service and necessary support levels. Staffing increases are proposed in some departments to reduce the cost of excessive overtime.

In summary, I believe the FY/04 budget represents the most conservative and fiscally responsible approach to the financial difficulties presented by the economy, while still being responsive to the fundamental, basic needs of City residents.